Previous references.
Yearly Serial 1-20 G.7135-09
6 June Ser 34040 Do 131-04

1911-12
(Gen. Fin.)

File No. 23-11

Serial Nos. 1, 2, 5, 6, 7, 12, 14, 22 & 23

Later references.
B A/513 Ser 24-27 G-723-11
B Aug'13 Ser 6.709 Do 31-12
B for May'15
S.F. 33-158 1913, B Dec. 1915.
G796-20-1, 6-10.
G796-20-11-14.

GENERAL AND REVENUE SECRETARIAT.

P. 82-E

Serial Nos. 1, 2, 5-7, 12, 14, 22 & 23

Part B. for May 13

SUBJECT.

Financial relation between the Govt of H. H. the Maharaja and the Mysore Spinning and Manufacturing Company Ltd

From N. Sirur & Co, Agents No — dy 30.6.11
submits for the approval of Govt the drafts of the conveyance and mortgage in respect of the arrangement ordered in G.O. no 2E 5379 / G. F135-09 dy 28.4.11 duly approved by the Board of directors of the Mill.

2. From Dr — No — dy 14.8.11
informs that at a meeting of the Directors of the Mysore Spinning and Manufacturing Co. Ltd held on the 10th August 11, the Directors were unanimously of opinion that the suggested Contention viz the Conditions

G. R. S. 58

James 17.5.13

G.R.S. 11] 191(

GENERAL AND REVENUE SECRETARIAT.

(97)

NOTES.

File No. 23—11

FILE HEADING.

Financial relations between the Govt of H.H the Maharaja & the Mysore Spinning & Manufacturing Company Ltd.

From

N. Sircar & Co Agents

No. Dated 30-6-1911. Received 4-7-1911

Diary No. 37 | Enclos. | Spare Copies | Serial No. 1

BRIEF ABSTRACT OF LETTER.

Submits for the approval of Govt the drafts of a conveyance and a mortgage in respect of the arrangements ordered ~~requested~~ in G.O. no. H 5379 of 28/4/1911 G.2135-09 duly approved by the Board of Directors of the mill

NOTES AND ORDERS.

The agent brings to notice that the amount due to Govt on 28th Feb 1911 including interest is Rs 3,96,555-11-6 and not Rs 3,88,006-2-0 as stated in the P.C. of the 28th April 1911 and that the former amount has been specified in the

NOTES—First sheet

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G. R. S. 12]
General and Revenue Secretariat.

G7 File No. 23 of 1911.

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	draft documents.
	2 Under the circumstances explained by the agent the Company trust that the Govt would agree to the proposal to pay Rs 96,555-11-6 only instead of one lakh ~~exacted~~ as desired by forth. Submitted with reference.
1	97-36 13/7/1911 3 Necessary first Mr the document Examined by the Govt Advocate to see if it is in proper form. May therefore be sent Obtain opinion &c. the question of the amount to be paid the latter update on. 14-7-11.
	4 Forwarded unofficially to the Govt Advocate for examining if the draft documents are in proper form. Vide Govt Secretary's letter dt 22-7-11 Encls
	By order. 22-7-11 For Secretary.
	5 Please carefully read through the draft of the Reconveyance & Release also of the Mortgage proposed to be executed by the Mysore Govt and the Mysore Spinning & Manufacturing Co. Ltd & in my opinion both the

NOTE— Contn. sheet.

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of them are in proper legal form - I have not been able to find in the file the authority for the recital in the mortgage deed "Now This Indenture witnesseth x x x the Company doth hereby Covenant with the Govt that the Company will not later than the 28th day of February 1925 pay the said sum of 3 lacs to the Govt" - This clause no doubt is favorable to us as a definite period of 14 years is fixed for repayment; and the fear that was entertained of the irredeemableness of the debt or the indefiniteness of the chance of the capital being repaid is dispelled.

Sd Advocate Gen

31st July, 1914. Govt advocate

Subd
27.36
1/8/1911

6 One other point is that while Govt sanctioned the payment of 1 lakh of rupees the Company proposes to pay Rs 96,535-11-6 and hence 3 lakhs as loan. The office is very difficult & this perhaps stands -

Secy

2-8-14

NOTE— Contn. sheet.

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Asstt Secy

7 On page 23 of the new contract (draft) it is said that after 1916 on giving notice Govt may get $\frac{2}{3}$rds net profits after setting aside by way of Depreciation Fund a sum = 5% of book value of machinery & buildings. This means that about 35000 will be deducted from the net profits before Govt can take $\frac{2}{3}$rds of it. If they spend so much in replacement & renewals then there is not so much objection to this procedure. But if they do not do that but use the depreciation fund balance as floating capital then Govt will lose doubly viz. the value of their security will go down & their $\frac{2}{3}$rds share will be less.

8 To obviate the above difficulty & also to ensure that the Buildings & machinery are not allowed to deteriorate unduly it is necessary to include a clause in the agreement that the Company will set aside 5% as above every year in a separate fund which will be drawn upon only for replacements & renewals with the sanction of Govt. The balance at the credit of this fund representing the deterioration in the value of the security should be under Govt control but should be capable of being freely utilized by the Company for ~~Rebate~~ replacements & renewals.

NOTE— Contn. sheet.

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Serial No.

If the above proposal is not acceptable to the Company, they should suggest an alternative.

2) Though the floating capital stock is released the interests of Govt still require that the working should be closely watched & controlled on behalf of Govt. The terms about the Comptr continuing as the Managing Director on behalf of Govt should therefore continue.

10 Please put up a draft to the agents on the above lines.

M
2/8/11

Draft 4/8/11

Draft for approval is submitted herewith.

M. 36
5/8. Adecy

4/5/8/11

11. The draft is to be modified according to the discussion I had with Mr Swinton today. Draft may be put up tomorrow (Monday) M

5/8

12 Revised draft as per personal discussions submitted.

4/8/11.

Adecy 13 The draft may be approved

M
15/8
4/8/11

Subject to Mr Swinton's approval

7/8

Adecy

NOTE—Contn. sheet.

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General and Revenue Secretariat.

File No. 23 of 1911-

Serial No.	
	From N. Sivier Sec. to Govt
2	Letter dt 14. August 1911.
	Informs that at a meeting of the Directors of the Mysore Spinning & Manufacturing Co. Ltd held on the 10th August 1911. the Directors ~~——~~ were unanimously of opinion that the suggested Condition viz "the unutilised portion of future credits to the Company's Depreciation Fund should be deposited in the joint names of the Govt and the Company either in the Govt Treasury or some recognised Bank; & to be drawn exclusively for improvement and buildings". was not only unduly exacting but was also impracticable from a business point of view.
	Assistant Secretary Finance.
	Please discuss further with reference to this letter before submitting case to Dewan.
	Intd. J. S. C. 16/8
	Br. II Please put this in the file and continue noting further. Intd- J-d- 16/8/1911.
	Submitted
	N-36 16/8/1911 [illegible] 14 So far as my acquaintance with Mysore Commercial affairs goes (Mysore is a few) it is a fact that Depreciation Fund is in fact an account head and the money is utilised for the purposes of general trade. It is not like the Reserve Fund Reserve & Excluded from the Working Capital. The Representatives

NOTE— Contn. sheet.

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Serial No.

of the Company are therefore to the point. Mills however Rule Stated that neither the Agent nor the Bd of Directors except in so far as their liability for proved mis demeanours pecuniary is thereby affected and as the Company has not been declaring any dividends the Shareholders are all Callers and take very little interest the Restrictions are the only powers Rule reckoned with and as the Secured Creditor first has the first claim for reimbursement from the properties mortgaged to it. Perhaps instead of 2/3 being worked out after the depreciation is taken out he may say that out of the profits after such 2/3 Bills be taken first instead allowing for any depreciation and that the Company Bill only to the remainder keeping up the Booked Value as depreciation and divide the rest as dividends &c.

This will be feasible only if there are profits upto 1,20,000 or so which is not probable.

Agreed

6/ 1884

15 Then suppose it is said that Govt will have a first lien on the floating stock also to the extent of the balance at the credit of the Depr. Fund?

19/8

Agreed.

If the word mean that he will be

GPB—50,000—12-8-10

per where we are now but with an added
item of confusion as some part of the floating
stock under lien to another creditor and
some part not. Mistake may occur and
the arrangement would not be satisfactory
to any one. Either we should have the
balance in a distinct account as heavy
money or allow them the full use of
it.

Secy) 4/2/1911

17 I agree that the course referred to
in my note of 19.8.11 will not be
satisfactory.

18 Then say that if in the
opinion of Govt the amount spent
on maintenance repairs & renewals
appears inadequate at any time they
will be at liberty to have the
buildings & machinery valued by experts
at the cost of the Company such
valuation not to be more frequent than
once in three years. If the valuation
is less than the valuation of 1910
~~half the difference may be required by~~
~~Govt to be set apart in a Govt~~
~~Treasury~~ then Govt may regard the

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Serial No.

property as not kept in good repair and take action as provided for in the agreement in such a case

19 Also the penalty for not keeping the property in good repair is not severe enough. If they do not do repairs Govt are to do that and bear the cost as an additional loan at 4 p.c.' Surely this is not agreeable to Govt.

20 On pages 26 & 27 I have made additions in pencil to remove the necessary defects.

1) Govt are to be the absolute judge of whether the property is kept in good repair or not

2) If Govt have to do repairs, they may recover the cost from the whole of net profits before any Deprn fund contribution is provided.

3) Govt must get property valued from time to time by experts & then decide whether the property has deteriorated & whether their intervention in repairing is necessary.

21 The additions made by me may be kindly put in proper legal phraseology by the Govt advocate

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G. R. S. 12]
General and Revenue Secretariat.

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Serial No.	
	22 After that a drop may be put up specifying the addns proposed, for orders of Dewan. 22/8/11
Nc 7c 42 & 24 August 1911 En 2 files containing 3 collection & connected papers.	23 forwarded to Pt Advocate Genl for favour of Compliance. 23.8.11
	Returned with Collectors Report in order to pass
E.O. 16. 4-9-11	Please turn over. KS.
11 4/9 Mr.	

NOTE—Contn. sheet.

GPB—50,000—12-8-10

24. In addition to giving a legal clothing to the suggestions made by the Financial Secretary, I consider it will be advantageous to let Government know the full import and the legal effect of the draft mortgage deed and the proposed additions and it -- appears to me that this can best be done by noting the important terms of the document and the remarks in juxtaposition.

Provisions of the document.	R e m a r k s.
1. The whole of the mortgage money becomes repayable on or before the 28th February.	I have already expressed my -- opinion on this point.
2. In the meantime, interest is payable at 4 % in equal - annual instalments commencing from 1-3-1912 and in default compound interest at the same rate is payable.	This is a safeguard for ensuring punctual payment of interest.
3. The Government have the -- liberty to require reduction of the principal mortgaged -- amount, by payment from the year 1917, two-thirds of the nett profits of the Company after deducting 5 % on the - Book value for Depreciation fund.	I think that the Company expect to put by about Rs.37500/- annually from the year 1917, for payment towrds the principal - mortgage amount and on this - basis, I infer they must have fixed the period for repayment at 1925 that is to say payment of 3 Lacs in 8 annual instalments of Rs.37500/- a year. Since - Government are prepared to allow the Company a period of - 8 years from 1917, for repayment of the principal amount, the -- interest of Government will be amply protected by fixing the -

the minimum payable every year at ------ Rs.37500/-. By ~~adding~~ adopting this suggestion of mine the object of the Financial Secretary will be secured and at the same time the Company will in no way be hampered. If 2/3rds of the nett profits after deduction of the 5 % for depreciation fund exceeds the sum of Rs.37500/- the Company has nothing to complain of. But if in any year it is less, it is but fair that they should make up the difference reserving only the balance as the Depreciation fund for that year. If this view is acceptable to --- Government then the following addition - may be made on page 23, to bring it in - conformity with the above suggestion.

"Provided that in case the 2/3rds of the nett profits in the manner above calculated shall in any year fall short of Rs.37500/- the Company shall in addition, pay in that year, the difference between Rs.37500/- - and the amount thus fixed as 2/3rds of - the net profits".

(1) This is unpracticable and should not be insisted on. 11/8/11

4. If default is made - in the payment of interest or compound interest and 2/3rds of the nett profits or any portion of the --- above for a period of 3 months after the same -- shall become payable the Government have got the right to demand payment of

This provision further ensures the punctual payment of the interest and net profits and the obligation imposed on - failure to do so, being the liability to pay the whole of the principal amount on demand at any time after the default the Company will take care not to allow payment of either interest or net profits to fall into arrears for more than 3 -- months.

of the principal amount at any time after such default.

5. Covenant for repair.

Primarily the Company render themselves liable upon the covenant contained in the document to repair the mortgaged premises and this is intended for the -- protection of the mortgagee's security. - If the Company neglect to do so Government are given the right and discretion to repair and the cost of such repairs is -constituted a debt due by the Company and made payable on demand. Government have therefore the right to proceed by necessary implication against property of --- every description belonging to the Company including not only the Depriciation fund, but the floating stock not previously -- secured to any body. It ~~will~~ may tend to --- restrict the rights of the Government - if the clause suggested by the Financial Secretary Viz., A ["as a first charge on the whole of the subsequent nett profits of the concern without any further provision for depreciation"] be added. As it is, - there is also the further guarantee that in addition to the said cost of repairs being considered as a debt due to Government the property mortgaged for the ----- principal amount of 3 Lacs is also charged -with the said debt, thereby giving the Government the right of priority over un-secured creditors. I would under the -- circumstances simply suggest that in lieu

of

(2)

I do not see how. I thought that if on Demand the Company did not pay the result would be that the amount would be treated as an addition to the debt. This is not desirable from the first point of view for first do not want to execute repairs & add the cost of such repairs to the principal. To prevent that, I said that first were entitled to recover the repair charges as first charge on the net profits. Practically always the whole of the floating stock would be under lien to the Bank furnishing the working capital, so that there is nothing to be gained by "the right to proceed against property of every description". The depreciation fund is merged in the floating stock & is not a separate asset apart from it. I would therefore retain [A] ——— MV 11/8

on page 27 of the draft mortgage deed.

(3)

No objn.
MR
11/9/11

of " and until such payment the same shall be a charge on all the mortgaged property and shall be deemed to be part of the -- mortgage money hereby secured " the following may be substituted "and until such payment the same shall, in addition, be a charge upon all the mortgaged property - and shall be added to the principal moneys hereby secured and bear interest at the aforesaid rate accordingly".

The Financial Secretary's suggestion about Government being made the absolute Judge as to whether the property is kept in good repair or not, and of the valuation to be made by experts to help Government in deciding the said question is embodied in the following additional term that may be added in the document " And it is hereby further agreed and declared that the Government reserve to themselves the right to adjudge whether the mortgaged - property is in good and substantial state of repair, and for enabling them to so adjudge it shall be lawful for the Government, whenever they may deem it necessary, but not more than once in 3 years, commencing from 1st March 1911, to get the said buildings and erections, plant and machinery valued, during the continuance of this security or so long as the mortgage money and interest thereon or any -- portion thereof shall remain unpaid, by expert or experts to be appointed by --- Government, the entire cost of such ---- valuation being borne by the Company, and

if

(4) vide addn within brackets MG [ ]

if the valuation made by such expert or experts be at any time [in the opinion of first materially] less than the --- valuation made in the year 1910 of the said buildings, erections, plant and -- machinery, then and in any such case the mortgaged property shall be deemed to be not in good and substantial repair ".

6. Covenant to insure 4 Lacs.

Most of what I have stated in connection with the covenant to repair apply mutatis ~~and~~ mutandis to the covenant to ~~the~~ insure. In this connection I would like to add (a)" or other accidents " after "fire" (b) "plant and machinery" after - "erections" and (c) after damaged "or in discharge of the mortgage debt if the latter has then become due at the option of Government". The first two are verbal additions necessary to render the meaning clear and the last is material addition. It gives the option to Government to appriate the insurance amount towards the discharge of the mortgaged amount if it has then fallen due, instead of allowing it to be applied towards the restoration of the building and machinery.

on page 27 of the draft mortgage deed

(5) No objn MG

7. In addition to the above terms the document gives Government the right to have 2 Directors and one Auditor and the books of - the Company are always open for the inspection of ---- Government and their auditor.

8. With these remarks the file is returned.

4th Sept 1944.

Govt. advocate

G. R. S. 12]
General and Revenue Secretariat.

G. 7 File No. 23 of 19 11-12

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Subd

H.O.O 86

8.9.11

25 The Govt Advocate has sent the file with a long note of points regarding legal clauses to the Secy's suggestions.

26 The following four points are the chief ones and I append short notes on them.

(1). On Page 23. The following clause to be added.

"Provided that in case the 2/3 of the net profits in the manner above calculated shall in any year fall short of Rs 37,500 the Company shall in addition in that year, the difference between Rs 37,500 & the amount thus fixed as 2/3 of the net profits."

In my humble opinion this clause is inoperative, unless the intention of the Govt is to force the Company to borrow and make up the deficit which perhaps is not fair to the Company which in spite of its best endeavours has not been able to make a good profit.

(2) Page 27. The following clause is to be ~~added~~ substituted

"and until such part of the same shall, in addition be a charge upon all the mortgaged property and shall be added to the principal money thereby secured and bear interest at the aforesaid rate accordingly". It is necessary to make the

Vide my marginal note (1) in Govt Advocate's note. 11/9

I agree 11/9

NOTE— Contn. sheet. 11/9

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matter clear.

(3) The clause which is absent the provision for valuation of the Waa properties mortgaged not later than once in three years. If Company defaults no valuation will be carried to enable time is profitable pounds thereon and it necessary that the discretion should vest in Govt. but at the same time there in case where the Company avers that the property is in good repair and in spite of such assurance the valuation is made and it is found disagreement that the properties have been fully well maintained, it is submitted, it would not be fair to ask the Company to bear up the charges.

The discretion must be with Govt. & they cannot be penalised in any case M 11/9

(4) The clause relates to appropriation of Insurance moneys towards debt if it has fallen due. When the debt has fallen due for payment Govt have discretion of selling the property & other effects in the hands of the Company & under them & and other parties can attach & get the Insurance moneys by ordinary process of law. The introduction of this clause appears therefore to be superfluous.

I agree but have no objection to the clause proposed by Govt Advocate to remain M 11/9

Govt may decide. If decided to be retained Draft will be prepared accordingly.

Yours

NOTE—Contn. sheet.

G.P.S.—50,000—12-8-10

G. R. S. 12]
General and Revenue Secretariat.

File No. 20 of 1911

Serial No.	
11 / 15/9	27 If the Govt Advocate will kindly incorporate the additions & corrections referred to by me above in pencil in the draft agreement in the proper places & have all the other notes on the draft rubbed off, I shall be much obliged. The matter will then be submitted to the Dewan with all connected papers for orders. 11/9
V.C. 524 dt 12th September 1911 Encl 2 plts	28 Forwarded to the Govt Advocate H.O. for favour of early Compliance. 12 9 11
H.O. 15 dt 15=9=11	29 Returned after doing the needful. 14-9-1911. Sd Dewan for Govt Adv.
Subd 21.36 16.9	30 Please prepare a draft on the lines of the one already prepared but altering the Company to whom the deed is executed & with the conditions as now suggested by the Govt Advocate. 16/9/11.

NOTE— Contn. sheet.

GPB—50,000—12-8-10

G. R. S. 12]
General and Revenue Secretariat.

File No. 23 of 1911

Serial No.	
	Draft as ~~ordered~~ per orders is submitted. N-36 19/9/1911 Mr. Thrappa recalled Select) 19/9/11
	corrected bill-wise. ['met' for 'not' in the 2nd typed sheet] 20/9 Dewan) 20/9/11
13684 21-9-11	32 Draft approved with a slight ~~addition~~ alteration which should be incorporated in the draft agreement. [illegible]
	[Rect & Rep] parcel at Mukundapuram on the 31st Dec 11 [illegible]
	Issued today 3.1.12
5	To Messrs Sirur & Co: Agents No: H 2708 Dated 4.1.1912 Suggests certain conditions and requests the return of the deed executed early with the conditions suggested included.
6	From the Agent, The Mysore Spinning & Manufacturing Company Ltd. Letter dt 6.1.1912. Acknowledges receipt of letter no. H 2708 dt 4/1/1912

NOTE—Contn. sheet.

GPB—50,000—12-8-10

Serial No.	
	and request that the draft mortgage deed may be returned for its being placed before the Director.
	33 Draft forwarding the Mortgage deed is put up for orders.
	N.36 8/1/1912 RR 8.1.12 [Rubbed out for Advocate's Corrections] Issue
	K 8/1/12
7	To the Agents No. H 2769 Dated 9.1.1912 Forwards the draft mortgage deed.

May the pencil Corrections & additions made by the first Advocate stand as they are? RR

Let the Heirs (in the) RR 9.1.12

I have rubbed out the pencil corrections made by the first Advocate.

9/1/12 Issued the letter noted to the Agents.

RR 9.1.12

G. R. S. 12]

General and Revenue Secretariat.

File No. 23 of 1911

Serial No.	
	From Messrs N. Sivur & Co. Agents
12	The Mysore Spinning & Manufacturing Company Ld.
	Letter dt 22.2.1912
	forwards for information a copy of a circular letter addressed to the Creditors of the Mysore Spinning & Manufacturing Company Ld.
	3 Subt. The file of papers connected with Mills has been sent on to the Hon'ble Visvesvaraya Chairman of the Industrial Conference
	N-86 4/3 Call papers thereon 4.3.12
	Draft Subt for approval
	N-86 7/3
	3 The present letter is only an intimation that the Company is taking the necessary steps to complete the negotiations between the Govt & the Company. No action is necessary and the main file is therefore not required, and may perhaps be left some days longer with the Visvesvaraya. No action necessary R.R. 8/3/12 Letter file may be called for if action is taken. Papers returned 8.3.12

NOTE—Contn. sheet.

GPB—20,000—26-1-12

D 305-a

23

G. R. S. 12]

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Serial No.	
	The file recd back is subd. DMR 24/3 21-3-12. Nothing has to be done just now. RR 21.3.12 Cases returned. Keep in this till the case closes.
	I saw R. Any action necessary now beyond bringing to the notice of the A.S. that the file has come back? RR. 4/3
	No action necy now DMR 24/3. (vide Sl. No. 13 cases separately filed)
14.	From Sirur & Co- Agents of the Mysore Spinning & Manufacturing Company Limited. Forwards a copy of the Notice of an extraordinary meeting of the Shareholders of the Spining & Manufacturing Company Ltd in Bombay on the 13th July 1912 - 29. July 1912
36	Subd for information - No action is called for now - DM-36 (Ack. 19) 28/7/12 (Reserv) Subd for information 28/7 DM 1/8/12

NOTE—Contn. sheet.

GPB—20,000—20-1-12

General and Revenue Secretariat.

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Serial No.

1. From the Government Advocate in Mysore dy 5th October 1912 States that both the Reconveyance & mortgage ~~deeds~~ drafts between the ~~the~~ Govt of H H the Maharajah & the Mysore Spinning and Manufacturing Company Ltd sent through Messrs Sirur No. are in order and duly stamped in accordance with the Mysore Stamp Regulation and that there is no legal objection to the reconveyance & mortgage bearing the same date.

37 Now that the documents have passed through the Govt Advocate there does not appear to be any necessity for further reference to him again.

38 Yes. The Dewan signed the document on the previous occasion & Mr M. N. Krishna Rao presented it for registration.

Subd

27-36 Hon

39 7/10/1912 Submitted to the Dewan for power of signing the documents in the presence of two witnesses. The date at the top also to be filled in. Date at the end has not been filled in. Branch III may see & suggest whether this should not be done before the signatures are appended.

7.10.12

Subd

Hon 7/10

40 The dates may be entered at the time of signature

8/10/12

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

General and Revenue Secretariat.

Gj7 File No. 23 of 1911

Serial No.

Subs for favr signature.

1/8/11

Dewan)

3873
10-10-11

41 In the Mortgage Deed, there are blank spaces at pages 2 and 11, which shoud be filled up—

42 In the Reconveyance and Release Deed, there are blank spaces at pages 2 and 9 which shoud be filled up—

43 The pages in both the Deeds are now numbered in pencil - Printed numbers shoud be inserted—

44 The documents shoud be attested by the Financial Secretary in proof of their correctness—[Is there no general rule on the subject?]

Draft to the Govt advocate as per instructions

Subs

12/10

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

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Serial No.

45 Letter addressed to the Managing Director - Name changed & Office cell

Dowry 12.10.11

[Understood from the Advocate through the Deputy Collector present in the Sub-Registry Office.]

46 The blank at the top where the date on which the Dewan signs the document it may be filled up when signing

47 The blank in page 2 to be filled in the existing document blank and the Sirkar, the Managing partner of the firm objects to me that the date mentioned as the original was in the possession of the Trust when the new deed but the Release Petition is executed subsequently the blank therefore has to remain unfilled

48 The blank on page 11 has been now filled in. The other blank has not been filled in the words "the Dewan of Mysore" - This has been done by me now.

Reconveyance deed.

The date at the top was filled in at the time of signing the deed by the Dewan.

49 The blank on page 2 will have to remain for reasons mentioned above

50 The blank on page 8 has not been filled in the words "the Dewan of Mysore" - This has been done by me now.

51 The blank on page 9 has been filled in.

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

General and Revenue Secretariat.

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Serial No.	
	52 The Deputy have also affixed their signature. The pages on the deeds have catch words at the end and it is usual to place deeds when they run into several pages. For whomever he is responsible, the page numbers can be [illegible] before the deeds are presented for registration. Sub to prepare D.O. signature. There is no place in the deeds or draft deeds which has the D.O. comments are correct. Placed for signature. Dewan 18/10/12
3937 14.10.12	
	53 Returned stamped Recipient that the points already noted may be attended to. 15/10/12
	D.O. 757 Encl. 17.10.12
	54 A draft D.O. calling for the information is submitted for appl. Dewan 16/10.
	55 Submitted with the reply received from Mr. Dy. Sirur, Bombay. 18/10/12
	56 The papers have been duly entered in print. As per the blanks on page 2, the letter from Sirur explains the position clearly. Sub to the Asst Secy for attestation of the correctness of the D.O. comments. Dewan 18/10

* This was not found when receiving. Noted to Supdt.

C.P. 17/5

NOTE—Contn. sheet.

GPB—65,000—1765-12.

R. S. 12]

General and Revenue Secretariat.

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Serial No.

57 After attestation of the Desecy, the Map will be transmitted to the Dewan for signature and filing in the Date office top of page 1.

Desecy)
28/10/11

Asstt Secy

58 Please bring up tomorrow morning

28/10

59 The documents have been compared again as instructed. Except in some repetition noted there are no mistakes. There are no original Schedules to compare with the one now attached. They will have to be taken out first probably. The initials of the Desecy may be placed just below the place where the Dewan has to affix his signature.

Desecy)
7. XI. 11

60 (1) What are those? Why should there be wrong and unnecessary repetition in the fair copy? Have you struck them out?

(2) Please compare with the latest valuation list.

URGENT.

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

G. R. S. 12]
General and Revenue Secretariat.

G7 File No. 23 of 1911

Serial No.

(3) The valuable documents have not been properly handled and have got rolled up and disfeared at the top. Please place them between flat boards to prevent further mutilation.

JM
6/xi/11
6.XI.11

61 (1) Please see slip below. The repeated words cannot be erased as the Committee will have to be initialled. All the signatures their remaining intact will not do as there are changes should them not.

(2) The Valuation list enters into details and the nomenclature is different, it is not possible to compare it with the Valuation list.

(3) Office instructed to take the necessary precautions against further rough handling & the disfiguring the ends disfeared.

Retd
6.XI.11

Returned:

62 Under instructions the Records has been sent to Mr. K. Sreenivasangar Rec. Engr. Water Works & Mr. Dr. Works for perusal & inspection the items in the schedule.

6.XI.11

63 Submitted with Mr. Sreenivasangar's reply. It

NOTE— Contn. sheet.

GPB—50,000—12-8-10

G. R. S. 12]
General and Revenue
Secretariat.

G7 File No. 20 of 1911

Serial No.

will be seen therefrom that the items shown therein have not been included in the Schedule. It is a question whether these or some of them at least should not be ordered to be included now.

B/R
11/11/12

by Mr. Newsteen will also be subject to our inspection while the Condemned one, Machine Room. The lifting Dynamo Woodsaw &c. will have to be added to the Schedule

H. X. 11. 12

Desd)

6.5 Descriptive Memorandum upon the Schedule attached to the Heads of the omitted articles included in the Schedule. Plans in support of the Descriptive Documents. [illegible] Documents. Care should be taken to see that all Memoranda

H. X. 11. 12

Draft Submitted for approval

H. 26 B/R
11/11/1912

Plans in support of revised Sch.

H. X. 12. 11. 12

Revised draft Submitted.

H. 26 B/R
12/11/1912

Desd)

H. X. 11. 12

M 13/11

66 Stamped H. X. 13. 11. 12

GPB—50,000—12-8-10

Funerals

Typescript

Yes tell the Secretary
the documents she has
typed & the letter Secretary
Bayley. Smile and print.

6. XI. 12

Typed & sent
11 6.11.12

3 Warping Machine

1 Sizing Machine

1 Size boiling and mixing apparatus

1 Heald preparing machine

5 Drawing Machines

3 24" Looms

12 28" Looms

32 32" Looms

32 36" Looms

25 42" Looms

12 45" Looms

39 50" Looms

26 60" Looms

24 70" Looms

18 76" Looms

1 Stamping Machine

1 Birches Sewing Machine

1 Singer's Sewing Machine

1 4 Bowl Friction Calendering Machine

2 Plaiting Machines

1 Mote Clearing Machine

1 26" Hydro-Extractor

1 Hydraulic Baling Press & Pumps

ENGINE AND MACHANIC SHOP

3 Lathes

1 Shaping Machine

1 Drilling Machine

1 Teeth Cutting Machine

1 Grinding Machine

4 Lancashire Boilers 20' x 7'

1 Set of Economisers 6/4 s

1 500 H.P.Jet Condensing Compounding Engine

1 Double Acting Donkey Pump.

1 Fire Service Pump

VI. FLOUR MILL:-

1 Complete plant for grinding and grading 28 bags of wheat per day.

VII. MACHINERY NOT SPECIFIED ABOVE:-

All gearing throughout the Mills including shafting, Pulleys, ropes, belting; full complement of change of wheels for all the machinery to spin from 6^s to 30^s yarn; testing and weighing machines; all necessary pipes between Engines Tank, Donkey, Economiser and Boilers; all the length of piping and hydrant round about the Mills and godowns from the fire service pump with all the fire extinguishing appliances.

Immediate

Engineer Manager
Lancashire & North

Gentlemen

Mr. H. Simmonds,
Sole Engineer Waterworks,
Stretford will be visiting the
Mills & Works to Value the
Steam & Electric Plant
Used & Must Ask You to Kindly
Render him all Assistance.

We Request that you
will afford him all facilities
in your power.

I am
Gentlemen
Yours faithfully
6.4.12

H. Simmonds
Manager
Engineering & Electrical Engineering Department

Urgent.

Office of the Executive Engineer,
Water Supply & Stores Division,
Bangalore, Dated 8th November 1912.

My dear Mr Lakshminarasimha Rao

As desired in your D.O. of the 6th instant, I went over to the mills and checked the schedule of machinery. The list is alright but the following new machines are not included in the list and the manager explained that these have been recently imported and not yet in working order.

1. 2 Drawing frames new of 3 heads each (in positi
2. 6. Flat carding machines new (being erected - 2 ready and on trial)
3. 8 --do-- do -- (in cases not yet opened)
4. 1 Slubbing frame new of 84 spindles (in cases not yet opened)
5. 1 New Green's Economiser (in pieces not erected yet)

2. The following machines are also not included

In the list :-

1. One Slubber frame (in position, but reported not working as it is condemned.)

2 2 Mule frames (in working order, but stated to be condemned shortly)

3. 1 Lighting Dynamo and Horizontal Engine of 4 to 6 H.P. (in working order)

4. 1 Wood sawing bench. (in working order.)

Yours Sincerely

W. Simmons Cooper

. R. S. 12]

General and Revenue Secretariat.

67 File No. 23 of 1911

Serial No.

D.O. To Messrs Finer & Co.
No. 2884 dt. 14/11/1912.

Requests him to rectify certain omissions and clerical errors and intimates that thereafter the documents will receive attention as regards signature of the Dewan.

From. Messrs Finer & Co.

Letter dt. 15/11/1912. - States that the first five items referred to in Mr. K. Srinivasayya's letter arrived only recently and were not in possession of the Company at the time when the documents were engrossed, and that items 1 & 4 in group II were not included as being of no use, and urges that in as much provision has been made in the document (page 9. lines 39 & 40) to the effect that "all the × × × during the Continuance of this Security" no change in the Schedule is necessary.

Financial Secretary's orders.

Assistant Secretary. Finance

67 Under the circumstances stated in Mr. Finer's letter the agreements as they stand may be submitted to Dewan for signature. Please note accordingly and send up the agreements.

NOTE—Contn. sheet.

GPE—65,000—17-6-12.

R. S. 12]

(38

General and Revenue Secretariat. | G2 File No. 23 of 191/

Serial No.

Agreements for my initials.

Intd. J. S. C.

15/11/1912

Fin Secy's initials may be affixed in the place marked with a black pencil cross. The Dewan's signature will have to be affixed above the Fin Secy's initials and the signatures of the witnesses on the left hand inner margin against pencil marks 1 & 2.

Fin Secy's initials may be affixed in the place marked with a black pencil cross. The Dewan's signature will have to be affixed above the Fin Secy's initials and the signatures of the witnesses on the left hand inner margin against pencil marks 1 & 2.

Fin Secy

15/11

Dewan

Q. X. M.

Fin Secy

Q. X. M.

Dewan

Q. X. M.

NOTE—Contn. sheet.

GPE—65,000—17-C-12.

Submitted to His Highness.

71 I submit for the perusal of His Highness a deed of Reconveyance and Release and a deed of Mortgage which are to be executed between the Government and the Mysore Spinning and Manufacturing Company, Bangalore, in respect of the loan advanced to the latter by the Government.

2. The documents have been drawn up in accordance with Government Order No.Fl.5379-G.F.135-09 dated 28th April 1911 and have been examined in detail by the Government Advocate and the Financial Secretary and approved by them. There is a slight departure from the terms of the Government Order of the 28th April 1911, in that under the present deeds a sum of Rs.96,555-11-6 is proposed to be paid back immediately by the Company instead of the sum of one lakh stipulated by the Government under para 4 of clause 5 of the Government Order. This slight alteration may be accepted as it would leave a round sum of three lakhs to be secured by the mortgage. It is to be noted that the figure adopted in the Government Order as the amount due to Government on the said

date

date, viz., Rs.3,88,006-2-0, is slightly in error. On that date the amount due was Rs.3,96,555-11-6 which figure has now been adopted.

3. Mr.Chakravarti has taken a great deal of interest in shaping the present contract. I shall sign and deliver the documents on their return to me after perusal by His Highness.

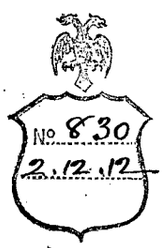
Yrs

R Chakravarti

2nd Dec. 1912

~~B~~ (41)

Record of Cases submitted for the Orders of His Highness the Maharaja



Subject.

Deeds of Reconveyance and Release and of Mortgage in respect of the loan advanced by the Government to the Mysore Spinning and Manufacturing Company, Bangalore.

463

Order.

72

~~KRM~~

6/12/12

Fin! Secretary

7.12.12

7.12.12

97 File No. 23 of 1901-12

~~37~~ (42)

Serial No.	
73	The documents have been signed and duly attested and returned to the Financial Secy for further action) 7.12.12 hb

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

74 The documents have been signed by the Dewan. They have now to be registered.

75 A power of attorney will be necessary for the Vice-Consul to represent the Dewan in the Reg^{r} Office.

76 A draft form of power of attorney is attended hereto.

Dsecy) 7.XII.12

77 Seen. The name of Arth Lee Jr. may be filled in & necessary action taken.

Dsecy

7/12/12

78 Subs to Dewan with attested copy of the form of "Power of attorney" for execution & filled in and signed or for other orders.

Dewan) 7.XII.12

417
7.12.12

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

5,000—11-11-11

(44)

I, M. Visvesvaraya the Dewan of Mysore hereby authorise T. Lakshmi Narasimha Rao, Advocate to present the deed of ~~transfer assignment~~ Reconveyance and release executed by/on behalf of the Government of His Highness the Maharaja of Mysore on the 7th day of December 1912 in favour of the Mysore Spinning and Manufacturing Company, Limited and to admit the Execution of the said document, before the District Registrar of Bangalore.

Bangalore
7 Dec 1912.

D E W A N.

Witnesses -

Serial No.	
	79 Documents signed & the Dewan and presented & the U.S. under a power of attorney fr Messrs to the D. Mesp. A fee of Rs 216-4-0 was levied and paid & Messrs vide ✓ No. This question when Corporations do not pay Mesp Chairs for such things as Licenses & Contracts the fee is levied when it relates a document. Will this be corrected.
22	To the Comptroller, Mysore Govt No. 7. 3344 § 10th Dec 1912 7ds for realisation & credit a cheque for Rs 96555-11-6 drawn on the Bank of Madras being the consideration promised to be paid to the Mysore Govt by Mysore Spinning & Manufg Co on execution on 9th Dec 1912 the new fresh deed of Reconveyance & release.
	80 This is sent to B. III for necessary noting on the Asst Secy's query above.
	16.12.12
23	From Comptr Nr 40388 14.12.1912. Forwards copy of his letter No. 37/6168 14.12.12 to the D.C. Bangalore Treasury Deptt forwarding a cheque for Rs 96,555-11-6 for realisation & credit to the Treasury

Regd
NOTE.—Contn. sheet.

Misc 70
14-1-13

Serial No.

81 Subd There is nothing in the Registration Regulation exempting Govt from paying Registration fees as in the Stamp Regulation. The Exemption which the Co-operative Societies enjoy is given under the provisions of Sect 25 Sub-Section (1) cl (e) of the Co-operative Societies Reg.

P

Submit a copy of Reg. Regs

KN (128) SN (11)
14-1-13

82 As the law at present stands, there is no exemption in favour of Govt as regards the registration fees.

Subd
17/1/13

Subd
22/1/13

83 When Government is created its members are exempted from the payment of Stamp duty fees it seems strange that any such exemption has been made for fort. Receipts & Cheques passed & given credit from Stamp duty. It seems necessary that for the exemptions of Contracts from Stamp duty & deed that the Regs should be amended accordingly. May this be referred to Govt for further action

K
22/1/13

Recd

84 But if this document were exempt would not the fort of Mysore

GPB—55,000—27-4-09

have lost Rs 216/4 which Messrs Smn & Co have paid 2 Perhaps to provide for such cases the rule has been made as it is. In any case is there a real loss to Govt on the whole? The left hand receives what the right gives & the income & expenditure of each Deptt is correctly shown.

JM
28/1/13

85 The release is executed & Govt and Shiels Speaking for Govt has to pay the charges. He says in order to prevent loss of time Govt would make a term in the bond that the borrowers shd pay a fraction of Value Rs 1/- There is nothing like said. But Govt shd pay, though the left receives it is necessary to have a circumlocutory process. This is the respect that I submitted the case. Suppose it was a mortgage deed Govt shall has to execute then it would have to pay. So long as the portion of the Govt is the Stamp it may perhaps not matter but when the portion is reversed it will not be fair. Again when Co-operative Societies have the privilege why shd Govt lose its inherent right of notarial fees. There is a real loss in all cases the Collector
H Lees) forwards. 23.1.13

86 There is something to be said on

Serial No.

both sides. If the Law were changed as proposed by Asst Secy. Fin. there would be no financial objection. W 24/1/13 Asst Secy

Dewan)

The present practice may continue. The matter may be dropped.

10.5.13 RC

Secy 12.5.13

23. From the Asst Comptroller. No. 4038 dt. 14.12.19. forwards copy of his Communication No. 4037 dt. 14.12.1912 addressed to the Dy. Comr. Bangalore about the realisation and credit of Rs. 96555-11-6 under Debts Deposits and Advances. 32. Advances to Loans - a special loan.

Cl. ii - deed of mortgage
Cl. iii - Consent of Collector
Cl. iv - Grant declared absent
Cl. v - Extract of Inam Register
Cl. vi - Sale Certificate

K.180 1067 25.1.13

Case works to this with papers put up

2 Encls W.R.

Petition is rejected 20-1-13.

Given time on 11-1-1910

11-2-13 Please submit this & connected papers for orders

21/2/13

Ordered by the Private Secretary to put up a precis on 22.3.1913

Precis put up K.3/4

B

T

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

R. S. 12]

General and Revenue Secretariat.

File No. 23 of 191 14

Serial No.

Precis. (G.723 of 1911. D.2162)

As the finale of the Settlement of the financial relations of the Spinning and Manufacturing Co. Ltd. with the Govt of Mysore, deeds of Mortgage and those of Release and Reconveyance drawn up in the form approved by Govt on ~~Stamp~~ paper duly stamped in accordance with the Mysore Stamp Regulation were ~~duly~~ signed by the Dewan & the Mill agent, as Executants of the documents and were presented for registration in the Dt Registrar's Office on 9-XII-1912

A fee of Rs 216-4-0 was levied and paid by Mr. Scrivener for the registration of the documents. The Financial Assistant-Secretary raised a question as to why Govt should pay anything when it executes a document, while Co-operative societies enjoy exemption from the payment of the registration fees. and the matter was referred to B-III for opinion

The Judicial Branch held that- "as the law at present stands there is no exemption in favour of Govt as regards registration fees."

On receipt of this opinion, the Assistant-Secretary remarked that- 'Govt should be exempt for its official Contracts from Stamp and Registration duty" and that the Regulation should be amended accordingly."

While noting on it the Financial Secretary enquired if Govt would not have lost Rs 216/4 which Messrs Scrivener paid and remarked that- perhaps to provide

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

Serial No.

for such cases the rule had been made at it is."
Further it was enquired if there was any loss to Govt on the whole.

In reply thereto it was urged that that fee in respect of the release and reconveyance bond was to have been paid by Govt but did to avoid delay Mr Sivur paid it. The exemption for Govt on behalf was suggested to avoid the "circumlocutory process" of debit & credit to Govt and on the principle as to why Govt "should not retain its inherent right of no taxation for its doings" and on the analogy of the concession enjoyed by the Cooperative credit Societies & its members.

On this the Fl Secretary observes that "there is something to be said on both sides" and that "if the law were changed as proposed by assistant Secretary Finance, there would be no financial objection.

Subject the question of amending the law is the point involved and may perhaps be ordered to be taken up in B for consideration in B.C. III.

U:26 Dec. 19) Yr papers put to Sir M

3/4. Secy Finance to go to the

NOTE—Contn. sheet.

GPB—65,000—17-6-12.

57

General and Revenue Secretariat.

G.7 File No. 23 of 1911

Serial No.	
	Private Secretary to the Dewan asked for a precis.
	H-36
	4/4/1913
	Subd to Private Secy to Dewan
	Bbm
	4/4/13

GPB—65,000—17-6-12.

N. SIKUR & Co.
AGENTS.

TELEGRAMS:
Chamundi: BOMBAY and BANGALORE

The Mysore Spinning & Manufacturing Company, Limited.

Bombay, 30th June 1911

The Comptroller,
The Government of Mysore,
Bangalore.

Sir,

As desired in your letter dated 4th May 1911 No.6713/B & R 1123 E/1 we have the honour to submit herewith for the approval of Government the drafts of Reconveyance and Mortgage prepared by Messrs. Little & Co., Solicitors, Bombay, which they advise should be executed to bring into effect the proposed arrangement between the Government of Mysore and the Company. These drafts have been duly approved by the Board of Directors of the Company at their meeting held on 21st instant.

Messrs. Little & Co. advise the reconveyance of the property secured to Government by the mortgage of 1888 and the execution of a new clean mortgage of Machinery & Buildings for Rs.3,00,000/ as the old mortgage and further charge provide for the payment of only two lacs.

In the Government order No.F1 5379/G.F.135-09 the consolidated amount of debt due to Government is stated to be Rs.3,88,006-2-0 whereas as per statement approved by Government the amount due to Government on 28th February 1911 including interest upto that date is Rs.3,96,555-11-6. Accordingly in the draft documents the latter amount has been shown. Further the order states that the Company should pay back

back to Government rupees one lac out of the above consolidated loan. In our letter of the 15th January 1910 to which the above Government order is a reply we had proposed that Government should hold the Machinery & Buildings to secure three lacs of the consolidated loan and the Company agreeing to pay the balance on Government releasing the floating stock. The difference between what the Government wanted to be returned and the Company proposed to pay being only Rs3,444-4-6 the draft mortgage has been made for a round sum of three lacs and we trust Government will be good enough to agree to the Company's proposal to pay Rs96,555-11-6 as stated in the draft release.

We have the honour to be,

Sir,

Your obedient servants,

M. Arbuthnot

Agents.

N. SIRUR & Co.
AGENTS.
TELEGRAMS:
Chamundi: BOMBAY and BANGALORE

DIARY No. 5785

1911-1912
SECTION G. M.
FILE NO. 23-11
SERIAL No. 2.

The Mysore Spinning & Manufacturing Company, Limited.

Bombay, 14th August 1911

The Comptroller,
to the Government of Mysore,
Bangalore.

Sir,

We have the honour to inform you that at a meeting of the Directors held on the 10th instant, at which all of our Directors were present, the suggestion made by you in the course of your recent conversation with our Mr. D. N. Sirur to the effect that the unutilized portion of future credits to the Company's Depreciation Fund should be deposited in the joint names of the Government and the Company either in the Government Treasury or some recognized Bank, to be drawn exclusively for improvement of machinery and buildings, was discussed informally, and the Directors were unanimously of opinion that the suggested condition was not only unduly exacting having regard to the relation of Mortgagor and Mortgagee to subsist between the Company and the Government, but was also impracticable from a business point of view.

We beg to set out some of the reasons which led the Directors to this opinion.

(1) We would point out that the transaction between the Company and Government is a Mortgage transaction of specific immoveable and

moveable

moveable property, the actual value of which based upon a very low estimate, leaves an ample margin over the amount secured; and the suggestion put forward by you really amounts to a claim for further security in addition to the ample margin already existing.

(2) The transaction with Government being in the nature of a Mortgage of specific property and not operating directly upon the Company's earnings, except so far as after a period such earnings may be applicable in reduction of the amount secured, we would point out that the interest of the Company in keeping its property in efficient working order is infinitely greater than that of the Mortgagee, seeing that only by maintaining the efficiency of its machinery and buildings can the Company earn profits; and on this head we may draw attention of the Government to the fact that during the last seven years the machinery and buildings of the Company have been considerably improved without any compulsion or requirement by the Government. The Directors do not think that there is any reason why Government should apprehend that improvements will not be made in the future as in the past, seeing that the interest of the Company lies in that direction and that the sole object of the Company in entering into the present new arrangement is to put the Company on a sounder financial basis, and thereby to enable the Company to improve its position and increase its earnings.

(3) We would point out that if the apprehension of Government is that the Company is likely to allow its property and machinery to deteriorate, that apprehension is met by the Mortgage which as drafted contains covenants by the Company that the mortgaged property will be

kept

kept in a good state of repair and efficiency, which covenants are capable of enforcement by the Government as Mortgagees in case of a breach.

(4) The Directors further consider that the suggestion is one which is likely to cause considerable loss and inconvenience to the Company, for the reason that although it is customary in well managed concerns to set aside a certain percentage of the value of machinery and buildings for depreciation before calculating the annual net profits, it by no means follows that the amount set aside to depreciation is spent in improvements in the actual year in which the allocation is made: certain improvemtns such as the renewal of engines and machinery necessitate the accumulation of the Fund for several years, and the result of accumulating that fund in the manner suggested would mean that the Company could make no use of the fund in the meantime, and while the Company would earn an extremely low rate of interest thereon it would have to borrow money at a very much higher rate and would thus lose considerably.

(5) The Directors desire us to point out that sufficient provision is made in the draft Mortgage for Government control, by the Government having two Directors on the Board of the Company and appointing its own Auditor for the accounts, and the Government can therefore exercise ample control over the administration of the Depreciation Fund and can ensure the property of the Company being kept in good order and repair.

The Directors desire us to add that while they greatly appreciate the generous spirit in which the Government has moved in this

this matter, they trust that, inasmuch as the objects of the Government and the Company are identical in bringing about a smooth and profitable working of the Company, the Government will not insist upon restrictions likely to unduly hamper the Company's working which can only prove injurious to the interests of both parties.

We have the honour to be,

Sir,

Your most obedient servants,

Agents.

G.R.S. 26] 1426

File No. 2311

Serial No. 5

Diary No. of letter replied to

General and Revenue Secretariat

( )

, *the* 19 .

No. 702/08

To 14 January 1912

Messrs Simr & Co

Agents

Date of issue 14 January 12

Signed by W L Marrack

Gentlemen,

Adverting to your letters of 30th June & 14th August 1911 forwarding for approval drafts of Reconveyance and Mortgage for bringing into effect the financial arrangements agreed to between the Govt of Mysore and the Mysore Spinning and Manufacturing Company (

over.

SUBJECT.

I am directed to observe that on page 23 of the draft Contract it is said that after 1916 on giving notice Govt may get 2/3rds net profits after setting aside by way of Depreciation Fund a sum of 5% of book value of machinery and buildings. This means that about Rs 35000 to Rs 40,000 will be deducted from the net profits before Govt can take 2/3 of it.

I am to state that if the Company spend so much in replacements and renewals every year there would not be much objection to this procedure but if they do not spend so much for renewals but use the depreciation fund balance as floating Capital then Govt will lose doubly in that they will get 2/3rds of the reduced ~~amount~~ ~~deprecia~~ ~~fund~~ ~~balance~~ ~~as~~ ~~floating~~ ~~Capital~~ ~~then~~ ~~Govt~~ ~~will~~ ~~lose~~ ~~doubly~~ ~~in~~ ~~that~~ ~~they~~ ~~will~~ ~~get~~ 2/3rds ~~of~~ ~~the~~ ~~reduced~~ amount and that the security for the loan advanced by them will deteriorate for want of proper maintenance. The Company will on the other hand be profited by having

List of enclosures.

Copied by

Examined by

GPS—20,000—7-[illegible]

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

by having an amount of money available for purchasing materials or for use on the Revenue account purposes.

To obviate the above difficulty and also to ensure that the buildings and machinery will not be allowed to ~~depreciate~~ deteriorate and also to protect Govt. against any loss it appears necessary to include the following clauses and make the following alterations in the agreement

In line 6 on page 27 of draft mortgage deed after the words "shall be" Substitute the following

"added to the principal money hereby secured and bear interest at the aforesaid rate accordingly and it is hereby agreed that the same shall further be a first charge on the entire subsequent net profits of the Company as shown in the Company's annual accounts without any deduction whatsoever therefrom as and by way of Depreciation Fund" and omit the clause

GPB—10,000—22-2-11

deemed to be part of the mortgage money hereby secured".

Insert the following clause immediately after the above:

"And it is hereby further agreed and declared that the Govt reserve to themselves the right to adjudge whether the mortgaged property is in good and substantial state of repair and for enabling them to so adjudge it shall be lawful for the Govt, whenever they may deem it necessary, ~~but not more than once in this year commencing from the 1st March~~ to get the said buildings and erections, plant and machinery valued during the continuance of this security or so long as the mortgage money and interest thereon or any portion thereof shall remain unpaid by expert or experts to be appointed by Govt, the entire cost of such valuation being borne by the Company and if the valuation made by such expert or experts be at any time in the opinion of Govt materially

less

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

less than the valuation made in the year 1910 of the said buildings erections plant and machinery then and in any such case the mortgaged property shall be deemed to be not in good and substantial repair"

In line 9 of page 27 after the word "fire" insert the words "or other accidents" and in line 12 of the same page after the word "erections" insert the words "Plant and machinery"

In line 13 on page 27 of the draft mortgage deed insert between the words "or damaged" and "and the Company" the following:-

"or in discharge of the mortgage debt if the latter has then become due at the option of Govt"

A typed copy showing the alteration is herewith sent, the alterations being in red.

I am to request the return of the deed executed early with the Conditions as now suggested

GPB—10,000—22.2-11

(7)

~~Suggested above included.~~

I have etc

for
Secretary

SIRUR & Co.
AGENTS.

TELEGRAMS:
Chamundi: BOMBAY and BANGALORE.

The Mysore Spinning & Manufacturing Company, Limited.

Bombay, 6th January 1912

To,

J. S. Chakravarti, Esq., M.A., F.R.A.S.,
Financial Secretary to the Government of
His Highness the Maharaja of Mysore.,
Bangalore.

	10 -19
	9-7
	23-11
	6

Sir,

We have the honour to acknowledge the receipt of your letter no F 2708 / G F 23-11 of 4th inst. as also of the draft Reconveyance and Release submitted by us in connection with the financial arrangements agreed to between the Government & the Company. We shall be obliged by your returning the draft Mortgage also, which we do not find in the papers received from you today, at an early date to enable us to place the same with the changes and alterations required by Government therein, before the Directors of the Company and take further action towards bringing into effect the arrangement promptly.

We have the honour to be,
Sir,
Your most obedient Servants,
M. Sirur & Co
Agents.

(10)

G.R.S. 26]

97 File No. 23-11
Serial No, 7

Diary No. of letter replied to 2266

No. Je 2769
9-1-1912

General and Revenue Secretariat
(97 .)
, *the* 19 .

To

The Agents
The Mysore Spinning &
Manufacturing Company Ltd

Date of issue 9-1-12

Signed by W L Harris for Secy

Sir

In continuation of this office letter No. 71-2708/97 F 23-11. dated the 4th Jan 1912 and

In reply to your letter of the 6th January 1912, I am directed to forward herewith the draft Mortgage deed ~~forwarded~~ ~~sent with your letter~~ ~~dated 30th June 1911~~ for necessary action over.

referred to there in

I have &c

SUBJECT.

8/1/12
for Secy

S.W.
9-1

RR
8-1-12

Copy

in Conformity with
the proposals contained
and Communicated to
you in this office
letter no. H 2708 of 4/1/1912

I have &c

for H Secretary

H-36
8/1/1912

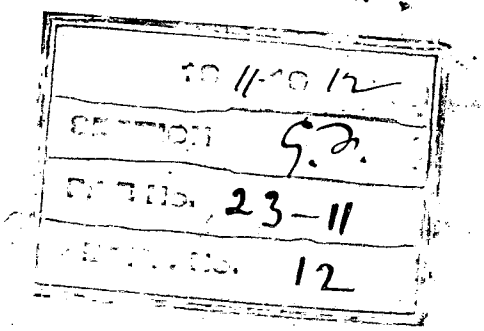
N. SIRUR & Co.
AGENTS.

TELEGRAMS:
Chamundi: BOMBAY and BANGALORE.

The Mysore Spinning & Manufacturing Company, Limited.

Bombay, 22nd February 1912

DIARY No. 3058



To

J. S. Chakravarti Esq.
M.A.,F.R.A.S., &c
Financial Secretary to
The Government of
His Highness the Maharajah of Mysore
Bangalore.

Sir,

We have the honor to send you herewith for the information of His Highness' Government a print of a letter which we are now circulating to the Creditors of the Mysore Spinning & Manufacturing Company Limited who were parties to the Scheme adopted by the Company in the year 1903, whose approval of the new financial arrangement now agreed between the Government of His Highness and the Company is necessary under Clause 11 of the Scheme of 1903.

You will observe from the circular of which we send you a copy that a Meeting of the said Creditors is summoned for Thursday the 11th April 1912 to approve the new financial arrangement and as soon as the Creditors have approved of the same the necessary meetings of the Company will be summoned to accept the arrangement by Special Resolutions, and the Directors will then be in a position to complete the Release and new Mortgage the drafts of which have already been approved on

PRIVATE.

The Mysore Spinning & Manufacturing Co., Ltd.,

BOMBAY, 15TH FEBRUARY 1912.

To

DEAR SIR,

It will be within your recollection that certain Resolutions were passed at an Extraordinary General Meeting of the Company held on the 31st October 1903, and confirmed as Special Resolutions at a subsequent Extraordinary General Meeting held on the 28th November 1903, whereby a Scheme of arrangement was entered into between the Company its Agents (then present and intended) its unsecured Creditors and the Government of His Highness the Maharajah of Mysore, Mortgagees of the Company. A printed copy of the proceedings of the Extraordinary General Meeting of the 28th November 1903 containing the said Special Resolutions and a copy of the Scheme approved of and adopted thereby are hereto annexed and marked **A.**

The position of the Company with reference to its liabilities to the Government of His Highness the Maharajah of Mysore was on 28th February 1911 as follows:—

	Rs.	A.	P.
Old Loan	156,511	1	6
Interest thereon to 28th February 1911	77,500	2	4
Advances on Current Account for working capital.	149,887	11	5
Interest thereon to 28th February 1911.	12,656	12	3
Total Rs. ...	396,555	11	6

The Old Loan of Rs. 156511-1-6 with interest thereon amounting to Rs. 77,500-2-4 aggregating Rs. 2,34,011-3-10 is secured to the Government of His Highness by a Mortgage and Further Charge of the Mill Buildings and machinery which are estimated to be of the value of Rs. 7,80945-13-11; and the advances for working capital amounting to Rs. 149887-11-5 with Rs. 12656-12-3 for interest thereon aggregating Rs. 162544-7-8 are secured by a lien on the entire floating Stock of the Company consisting of cotton, yarn, cloth, outstandings &c. of the average value of Rupees Three Lakhs: in other words the total security to the Government of His Highness is about Rs. 10,80,945-13-11, whereas the total

indebtedness of the Company to the Government of His Highness as at the 28th February 1911 was Rs. 3,26 555 11-6 as stated above.

The Directors of the Company have for some time past been in negotiation with the Government of His Highness with a view to placing the financial position of the Company on a more satisfactory basis, and as a result of such negotiations the Government of His Highness have been graciously pleased to agree to the following revised arrangement :—

(*a*) That the aggregate indebtedness of the Company as on the 28th February 1911 be reduced to the sum of Rupees Three Lakhs by the payment by the Company to the Government of His Highness of the sum of Rs. 96,555-11-6.

(*b*) That the Government of His Highness execute a Reconveyance and Release in respect of the existing Mortgage and Further Charge reconveying to the Company the Mill with its buildings and machinery and setting free the stock-in-trade and effects of the Company from the lien of the Government of His Highness thereon.

(*c*) That the Company execute in favour of the Government of His Highness a first mortgage of the Mill premises Buildings and machinery only to secure the sum of rupees three lakhs remaining due to the Government of His Highness with interest thereon at [illegible] per cent. per annum.

(*d*) That the Company repay the said sum of rupees three lakhs with interest thereon at 5 per cent per annum with option to the Government of His Highness to reduce the aforesaid mortgage indebtedness by payment to the said Government of two thirds of the annual net profits of the Company accruing after the 28th day of February 1912.

(*e*) That the Government of His Highness have the right during such time as any moneys remain due under the Mortgage to nominate and keep two Directors to sit on the Board of the Company and one Auditor : the other Directors and Auditor to be elected at meetings appointed by the Company.

The revised arrangement set out above has been accepted and approved by the Government of His Highness and the drafts of the reconveyance and release and of the proposed new Mortgage have been prepared and duly approved of by the said Government and these drafts are open for inspection at the Company's Registered Office, Henshaw's Buildings Bank Street, Fort, Bombay from 11 A.M. to 3 P.M. on working days.

The increased working capacity of the Company's Mill renders necessary the command of larger funds for working the concern than the Government of His Highness are disposed to advance to the Company. The advances of the Government of His Highness in this direction are as stated above Rs. 149887-11-5 and the unpaid interest thereon amounts to Rs. 12656-12-3, whereas the requirements of the trade to work the Mill to advantage demand from three to four lakhs of rupees.

The revised arrangement now proposed is meant to ob viate this difficulty, as when the floating stock is set free from the lien of the Government of His Highness the Company will have at its disposal sufficient security to offer as margin to enable it to raise the required funds from any recognised Bank on the security of its floating stock.

The revised arrangement is not intended in any way to prejudice or affect the interests of the unsecured creditors who were parties to the scheme of arrangement above referred to. Such creditors will continue as heretofore to receive one third of the net annual profits in reduction of the debts due to them by the Company while the direct advantages to the Company will be :—

(i) That the Company will be in a position to find the necessary working capital to work the Mill to better advantage.

(ii) That the rate of interest payable to the Government of His Highness will be reduced from 5 per cent to 4 per cent per annum.

(iii) That the Government of His Highness will not until the year 1916 claim the two-thirds of the annual net profits of the Company payable under the present Scheme in reduction of the debt due to the Government ; whereby the financial position of the Company will be considerably strengthened and the Company may well hope to considerably shorten the period of its present indebtedness to the unsecured creditors.

In view of Clause 11 of the present scheme of Arrangement it is necessary to obtain the consent of the creditors of the Company, who were parties thereto, to the revised arrangement ; and a meeting for that purpose will be held at the Registered Office of the Company, Henshaw's Building, Bank Street, Fort, Bombay, on Thursday, the 11th day of April 1912 at 3 p.m. Standard Time in the afternoon, when the following resolutions will be proposed, and should they be adopted by the meeting, the Members of the Company will be asked to pass the necessary Special Resolutions to enable the Directors to complete the proposed Reconveyance and Release and new Mortgage with the Government of His Highness and to carry the revised arrangement into effect.

RESOLUTIONS :

(1) That the Scheme of Arrangement entered into between the Company, its Agents (then present and intended) its unsecured Creditors and the Government of His Highness the Maharajah of Mysore, Mortgages of the Company approved of and adopted by the Company by Special Resolutions passed on the 31st October 1903 and confirmed on the 28th November 1903 be and the same is hereby cancelled so far as the unsecured creditors parties thereto are concerned.

(2) That in lieu of and in substitution for the before mentioned Scheme of Arrangement the said Creditors approve of and adopt the following revised Arrangement between themselves and the Company consequent upon the acceptance and approval by the Government of His Highness the Maharajah of Mysore, of the proposals laid before the said Government by the Directors of the Company.

(c) The aggregate indebtedness of the Company to the said Government as on the 28th February 1911 shall be reduced to the sum of Rupees Three Lakhs by the payment by the Company to the said Government of the sum of Rs. [illegible]

(d) The Company shall take steps to obtain from the said Government a Conveyance and Release to the Company of the existing Mortgage and further Charge by the Company in favour of the said Government the said Government thereby recovering to the Company the Mill with its buildings and machinery and setting free the stock-in-trade and effects of the Company from the lien of the said Government thereon.

(e) The Company shall execute in favour of the said Government a first Mortgage of the Mill premises buildings and machinery only to secure the sum of Rupees Three Lakhs remaining due to the said Government ; such Mortgage to carry interest at four per cent. per annum from the 28th February 1911 and the principal moneys thereby secured to be repayable not later than the year 1925 with option to the said Government to require the Company to reduce its indebtedness by payment to the said Government of two thirds of the annual net profits of the Company accruing after the 28th day of February 1916.

(d) The Unsecured Creditors of the Company who were parties to the before mentioned Scheme of Arrangement (hereinafter referred to as "the said Creditors" shall charge interest to the Company at the rate of five per cent only ; and one third of the balance of the net profits of the Company in every year after setting apart such sum as the Company may in its discretion think proper for depreciation shall be distributed amongst the said Creditors in reduction of their claims ; and interest shall cease to run upon the amounts from time to time paid to the said Creditors on account of their claims.

(e) The said Creditors shall not file any suit or suits against the Company or take any action or proceedings to have the Company wound up, nor shall any of the said Creditors who have obtained decrees against the Company attempt or proceed to execute the same ; and the said Creditors hereby agree to give time to the Company to pay its debts during such time as the Company continues to make payments on account out of net profits as above mentioned.

(f) The Company shall not mortgage charge or alienate any of its immoveable property buildings or machinery further than is contemplated by the proposed revised arrangement without in the first instance obtaining the sanction of the said Creditors at a meeting to be called for that purpose but this condition shall not hinder or prevent the Company from raising and borrowing from time to time such sums of moneys as the Directors may from time to time consider expedient upon the security of the floating stock outstandings and other moveable property of the Company for the purposes of the Company's undertaking.

(*g*) The Company shall get this revised arrangement appro ved and adopted at an Extraordinary Meeting of the Company called for that purpose and such revised arrangement shall be binding upon the said Creditors in substitution for and be in cancellation of the previous Scheme of Arrangement hereinbefore referred to as soon as the Company has passed the necessary resolutions to enable the Directors to carry it into effect.

You are requested to be present at the Meeting of which notice is hereby given either in person or by proxy; and if you are unable to be present in person you are requested to kindly sign the accompanying form of proxy and to return it to the Company's Agents so as to reach them not later than the 10th April 1912.

By order of the Board,

N. Sirur & Co.,

Agents.

[P.T.O.]

FORM OF PROXY.

T

MESSRS. N. SIRUR & Co., AGENTS,

The Mysore Spinning and Manufacturing Co., Ltd.,

BOMBAY.

DEAR SIRS,

I am / We are in receipt of the Report of the Directors of the above Company setting out the new arrangement proposed to be entered into between the Company and the Government of His Highness the Maharajah of Mysore, and the revised arrangement consequent thereon proposed to be entered into between the Company and its creditors, who were parties to the Scheme of Arrangement of 1903, which Scheme of Arrangement will be cancelled by the revised arrangement, and notifying me / us of a meeting to be held to approve and adopt the revised arrangement.

I / we fully approve the proposed revised arrangement and I / we hereby authorize you to attend at the meeting of which notice has been given to me / us to be held on day the day of 1912, or at any adjournment thereof, to record my / our vote in favor of such revised arrangement.

Yours Faithfully

Dated at this day of 1912.

The Mysore Spinning & Manufacturing Co., Limited.

A COPY of the Proceedings of the Adjourned Extraordinary General Meeting of the Shareholders of the Mysore Spinning and Manufacturing Company, Limited, held at the Registered Office of the Company, Henshaw's Buildings, Bank Street, Fort, Bombay, on Saturday, the 28th November 1903, at 3 p.m., containing the special resolutions and of the Scheme approved of and adopted thereby.

Present:

SHAMARAV VITHAL, ESQ.; *Chairman.*

V. S. RODRIGUES, ESQ.
BHAWANISHANKAR S. WAGH, ESQ.
DHONDNATH R. KHOTE, ESQ.
M. S. KHESHVALLA, ESQ.
EKNATH R. KHOTE, ESQ.
VINAYAK SADANAND JOSHI, ESQ.
BHAWANI V. TELANG, ESQ.
JAMES P. CHRYSTAL, ESQ.

I.—Proposed by Mr. Vinayak Sadanand Joshi and seconded by Mr. M. S. Kheshwalla—

"That the following Resolutions, unanimously passed by the Extraordinary General Meeting held on the 31st day of October 1903, be hereby confirmed as Special resolutions of the Company, *viz.*:—

RESOLUTIONS:

'(1) That the Company approves of and adopts the Scheme of arrangement, made between itself, its Agents (both present and new), its unsecured Creditors, and the Government of His Highness the Maharajah of Mysore, Mortgagees of the Company; a printed copy of which had been attached to the notice of the said meeting of the 31st October 1903 sent to Members.

'(2) That the Board of Directors of the Company is hereby authorised in the name of the Company and on its behalf to enter into and complete such agreements, documents, mortgages and all other deeds or covenants as they, in their absolute discretion and under proper legal advice, shall consider necessary and proper, with the present Agents, with the new Agents, with the unsecured Creditors of the Company, with the Mysore Government, and/or with such other person or persons, body or bodies, Company or Companies as to them may seem meet in order to give full and complete effect to the said Scheme and all and every part thereof.

'(3) That so far as it may become necessary for the interest of the Company, and in order to give due and lega effect to the said Scheme or any part thereof, the Board of Directors is hereby authorised in the name of the Company and on its behalf to make any application to or take any proceedings in a Court of Law and to take all other actions and proceedings of and incidental to the same."

Carried unanimously.

SHAMARAV VITHAL,
Chairman.

BOMBAY, 28th November 1903.

Scheme referred to above.

A Scheme of Arrangement made between the Mysore Spinning and Manufacturing Company Limited hereinafter called the Company, its present Agents, viz., Messrs. P. Chrystal & Co., the Agents to be newly appointed, viz., Messrs. N. Sirur & Co., its unsecured Creditors hereinafter called the "Creditors," and the Government of His Highness the Maharajah of Mysore, Mortgagees of the said Company, hereinafter called the "Government."

1. As the present Agents are not disposed to continue in their agency at the remuneration proposed, the Company shall withdraw the agency from [illegible] shall give up all rights, profits and advantages, which they may [illegible] into by them with any sub-brokers in the agency commission, and to [illegible] ment between them and the Company dated the 5th day of January [illegible] The Company shall arrange with the Government to meet the [illegible] such sub-brokers, or to pay the compensation if it is legally due to them [illegible] Agents.

2. The Company shall appoint the members of the [illegible] Co., as its Agents, in place of the said M/s. J. B. Chrystal & Co., [illegible] on the following terms:—

(a) The new Agents shall be entitled to receive from the Company their remuneration at the rate of [illegible] gross profits of the Company for acting as such Agents. All debts owing by the Company for payment secured and unsecured Creditors shall have been paid [illegible] of this clause shall mean the actual market value of the goods manufactured by the Company during the [illegible] other income of the Company less the cost of the raw materials purchased and [illegible] stores (such stores not to include parts of machinery).

(b) After the claims of the present secured and unsecured Creditors have been satisfied, the new Agents shall be entitled to receive from the Company the remuneration of Messrs. J. B. Chrystal & Co. would have received if the present Agreement with the Agents had continued in force on the terms of the Agreement which was entered into between the Company and Messrs. J. B. Chrystal & Co. on the 5th day of January 1898, and the Company shall enter into an agreement to that effect with the new Agents.

(c) In addition to the remuneration specified in Clauses (a) and (b) [illegible] receive such sum per year for their Office expenses in Bombay as the Management may think proper, and their actual travelling and other incidental expenses.

3. That the Company shall procure restoration of the moveable property held by Sadashiv Shanker Wagh as a security for the money advanced by him to the Company under an Agreement entered into by them with him on the 16th day of February 1898 upon payment by Government of the debt which may now be due to him, with interest upto date of payment only, and shall, if necessary, procure cancellation of the aforesaid Agreement.

4. The Government shall find and provide all the necessary funds for the working of the Company and shall be entitled to charge interest for the same at the rate of 5 per cent per annum. In respect of the funds to be so advanced by Government, they (the Government) shall be secured by the mortgage to them of the entire stock in trade of the Company.

5. The Government shall be put in possession of the said Company's Mill and of all its property and effects as the Mortgagees in possession, and shall have all the rights and powers to which a Mortgagee in possession is entitled by law. The Government shall also be entitled to appoint a Director on the Board of the Company who shall be called the Managing Director, and all transactions of the Company shall be conducted under the authority of such Managing Director. The Managing Director shall be entitled to be absent from the Meetings of the Board and shall remain at Bangalore. The Government shall also have the option of appointing another Director on the Board to attend the Meetings of the Board in Bombay. The Goverment shall also have the right of nominating one Auditor every year for the purpose of auditing the accounts of the Company, the other Auditor being nominated by the Company.

6. The new Agents shall in all respects carry out the wishes of the said Managing Director. In case of difference of opinion between the Managing Director and the Board of Directors, the latter may submit the matter for orders of Government, but until Government pass orders on such reference the opinion of the Managing Director shall be carried out.

7. The Government shall not exercise the power of sale vested in them under their Mortgage Deed with the Company except at the time, and on the happening of the events hereinafter mentioned.

8. The unsecured Creditors shall not file any suit or suits against the Company, or take any action or proceeding to have the Company wound up, nor shall any Creditors of the Company who have obtained decrees against the Company attempt or proceed to execute the same ; and those Creditors who have already issued execution against the Company shall forthwith withdraw ths same, and they hereby agree to give time to the Comp any to pay its debts until the happening of the events as hereinfter mentioned.

9. In the event of the Company carrying on business at a loss in any one year, and of its being unable to make any payment on account of interest due to its Creditors and to Government, it shall be lawful for Government to withdraw the working capital advanced by them from the realisation of the entire stock-in-trade and outstandings of the Company ; and in such case it shall also be lawful for the Creditors assembled at a meeting to pass a resolution by a majority of votes to be ascertained according to the value of their respective claims to wind up the Company, and in such case the Government shall be entitled to retain in their possession all the property and effects of the Company, both moveable and immoveable, as security for payment, in the first instance, of all moneys due to them.

10. Both the Government and the unsecured Creditors of the Company shall charge interest to the Company at the uniform rate of 5 per cent. only. Out of the net profit of the Company every year such sum, as the Government may in their discretion think proper, may be set apart as a Depreciation Fund and the balance shall be devided between the Government and the unsecured Creditors of the Company in the proportion of 2 : 1 respectively, i.e., two thirds of such balance shall be paid to Government in reduction of their claim and the remaining one-third to the unsecured Creditors in reduction of their claims; and on such payments, Interest shall cease to run in respect of the payments made to Government and Creditors as aforesaid.

11. The Company shall have no power to pass any Extraordinary Resolution to wind up the Company or to mortgage, charge or alienate any of its property to any body without, in the first instance, obtaining sanction of its present secured and unsecured Creditors at a meeting to be called for that purpose.

12. The Government shall cease to have any control over the management of the Company after the debt due to them and the unsecured Creditors shall have been fully paid ; and all rights which they are hereby entitled to exercise shall thereupon cease and determine.

13. The Company shall get the present Scheme approved and passed at an Extraordinary Meeting called for that purpose within four weeks from the date of receipt of the final reply of the Government.

14. The present scheme shall be binding upon the unsecured Creditors of the Company as soon as the Government have formally written to the Company agreeing to this seheme and the Company has passed a resolution approving and adopting the same.

ANGLO-LUSITANO PRESS, BOMBAY,—27-1912.

DIARY No. 96

1012 : 9139
SECTION : 97
FILE NO. 23
SERIAL NO. 1411

The Mysore Spinning & Manufacturing Company, Ltd.

NOTICE is hereby given that an Extraordinary General Meeting of the Shareholders of the Mysore Spinning and Manufacturing Company Limited will be held at the Registered Office of the Company, Henshaw's Building Bank Street, Fort, Bombay on Saturday the 13th day of July 1912 at 3 p.m. Standard Time, in the afternoon when the following resolutions will be proposed.

RESOLUTIONS

(1) That the Scheme of Arrangement entered into between the Company, its Agents (then present and intended) its unsecured Creditors and the Government of His Highness the Maharajah of Mysore, Mortgagees of the Company, approved of and adopted by the Company by Special Resolutions passed on the 31st October 1903 and confirmed on the 28th November 1903 be and the same is hereby cancelled.

(2) That in lieu of and in substitution for the before mentioned Scheme of Arrangement the Company approves of and adopts the revised Arrangement between itself, its unsecured Creditors and the Government of His Highness the Maharajah of Mysore, as approved by the Government of His Highness and adopted by the unsecured Creditors at their Meeting on the 10th June 1912 and as set out in the Report of the Directors of 26th day of June 1912.

(3) That the Board of Directors of the Company is hereby authorised in the name of the Company and on its behalf to enter into and complete the Reconveyance and Release and the proposed new Mortgage the drafts whereof are referred to in the Report of the Directors aforesaid and all other deeds or covenants as they, in their absolute discretion and under proper legal advice, shall consider necessary and proper to give full and complete effect to the said revised scheme and all and every part thereof.

And Notice is hereby also given that a further Extraordinary General Meeting of the Company will be held at the Registered Office of the Company aforesaid on Monday the 29th day of July 1912 at 3 o'clock in the afternoon Standard Time for the purpose of receiving a report of the proceedings at the abovementioned Meeting and of confirming, if thought fit, as Special Resolutions the abovementioned resolutions.

Dated this 26th day of June 1912.

By Order of the Board,

N. SIRUR & Co.,

Agents.

The Mysore Spinning and Manufacturing Company, Ltd.

Directors' Report.

To

The Shareholders of

The Mysore Spinning and Manufacturing Company, Ltd.

GENTLEMEN,

It will be remembered by you that the Extraordinary General Meeting of the Company held on the 21st October 1910 and the Extraordinary General Meeting held on the 28th November 1910, sanctioned the entering into between the Company, its Agents and the Government of His Highness the Maharaja of Mysore, the proceedings of the Extraordinary General Meetings held on the 21st October and 28th November 1910 and a copy of the Resolutions and a copy of the Supplemental Deed executed between the Company and the Government of His Highness the Maharaja of Mysore are annexed hereto marked A.

The position of the Company with reference to its liabilities to the Government of His Highness the Maharaja of Mysore was on 28th February 1911 as follows:—

		Rs.		
Old Loan	...	1,56,511	1	6
Interest thereon to 28th February 1911 ...	...	77,500	2	4
Advances on Current Account for working capital	...	1,40,887	11	5
Interest thereon to 28th February 1911 ...	...	12,656	12	1
Total Rs.	...	3,96,555	11	6

The Old Loan of Rs. 1,56,511-1-6 with interest thereon amounting to Rs. 77,500-2-4 aggregating Rs. 2,34,011-3-10 is secured to the Government of His Highness by a Mortgage and Further Charge of the Buildings and Machinery which are estimated to be of the value of Rs. 7,8,45,13-11 and the advances on working capital amounting to Rs. 1,40,887-11-5 with Rs. 12,656-12-1 for interest thereon aggregating Rs. 1,53,544-7-6 are secured by a Lien on the entire floating Stock of the Company and the Company's cloth contractings are of the average value of Rupees Ten Lakhs. The net liability of the Company to the Government of His Highness is about Rs. 10,80,945-13-11, whereas the total indebtedness of the Company to the Government of His Highness, as on the 28th February 1911 was Rs. 3,96,555-11-6 as stated above.

The Directors of the Company have for sometime past been in negotiation with the Government of His Highness with a view to placing the financial position of the Company on a more satisfactory basis, and as a result of such negotiations the Government of His Highness have been graciously pleased to agree to the following revised arrangement:—

(a) That the aggregate indebtedness of the Company as on the 28th February 1911 be reduced to the sum of Rupees Three Lakhs by the payment by the Company to the Government of His Highness of the sum of Rs. 96,555-11-6.

(b) That the Government of His Highness execute a Reconveyance and Release in respect of the existing Mortgage and Further Charge reconveying to the Company the Mill with its buildings and machinery and setting free the stock-in-trade and effects of the Company from the lien of the Government of His Highness thereon.

(c) That the Company execute in favour of the Government of His Highness a first Mortgage of the Mill premises buildings and machinery only to secure the sum of rupees three lakhs remaining due to the Government of His Highness with interest thereon at four percent per annum.

(d) That the Company repay the said sum of rupees three lakhs not later than the year 1925 with option to the Government of His Highness to require the Company to reduce its indebtedness by payment to the said Government of two-thirds of the annual net profits of the Company accruing after the 28th day of February 1916.

(e) That the Government of His Highness have the right during such time as any moneys remain due under the Mortgage to nominate and keep two Directors to sit on the Board of the Company and one Auditor, the other Directors and Auditor or Auditors being appointed by the Company.

The revised arrangement set out above has been accepted and approved by the Government of His Highness and the drafts of the reconveyance and release and of the proposed new Mortgage have been prepared and duly approved of by the said Government and these drafts are open for inspection at the Company's Registered Office, Henshaw's Building Bank Street, Fort, Bombay from 11-30 a.m. to 3 p.m. on working days.

In view of Clause 11 of the present scheme of Arrangement it became necessary to obain the consent of the unsecured creditors of the Company, representing claims of the value of Rs. 1,17,486-1-11 who were parties thereto, to the revised arrangement; and a meeting for that purpose was held at the Registered Office of the Company, Henshaw's Building, Bank Street, Fort, Bombay, on Thursday the 11th day of April 1912 when the following resolutions were placed before the meeting and were carried by a majority.

RESOLUTIONS

(1) That the Scheme of Arrangement [illegible] and intended [illegible] Mysore, Mortgagees of the Company [illegible] Resolutions passed [illegible] the same is hereby [illegible]

(2) That in lieu of and in substitution for [illegible] tors approve of and adopt the following [illegible] pany consequent upon the [illegible] Maharajah of Mysore, of the proposals [illegible] Company.

(a) The aggregate indebtedness of the Company to the said [illegible] shall be reduced to the sum of Rupees [illegible] Government of the sum of Rs. [illegible]

(b) The Company shall take steps [illegible] to the Company of the existing Mortgage [illegible] said Government; the said Government [illegible] buildings and machinery and setting [illegible] the lien of the said Government thereon.

(c) The Company shall execute in favour of the said Government a first Mortgage of the Mill premises buildings and machinery only to secure the sum of Rupees Three Lakhs remaining due to the said Government; such Mortgage to carry interest at four per cent. per annum from the 28th February 1911 and the principal money thereby secured to be repayable not later than the year 1925 with option to the said Government to require the Company to reduce its indebtedness by payment to the said Government out of two-thirds of the annual net profits of the Company accruing after the 28th day of February 1916.

(d) The Unsecured Creditors of the Company [illegible] Arrangement hereinafter [illegible] the said Creditors shall [illegible] Company at the rate of five [illegible] Company in every year after setting apart such sums as the Company may in its discretion think proper for depreciation shall be distributed amongst the said Creditors in reduction of their claims; and interest shall cease to run upon the amounts from time to time paid to the said Creditors on account of their claims.

The said Creditors shall not file any suit or suits against the Company or take any action or proceedings to have the Company wound up, nor shall any of the said Creditors who have obtained decrees against the Company attempt or proceed to execute the same; and the said Creditors hereby agree to give time to the Company to pay its debts during such time as the Company continues to make payments on account out of net profits as above mentioned.

(f) The Company shall not mortgage charge or alienate any of its immovable property buildings or machinery further than is contemplated by the proposed revised arrangement without in the first instance obtaining the sanction of the said Creditors at a meeting to be called for that purpose but this condition shall not hinder or prevent the Company from raising and borrowing from time to time such sums of moneys as the Directors may from time to time consider expedient upon the security of the floating stock outstandings and other moveable property of the Company for the purposes of the Company's undertaking.

(g) The Company shall get this revised arrangement approved and adopted at an Extraordinary Meeting of the Company called for that purpose and such revised arrangement shall be binding upon the said Creditors in substitution for and be in cancellation of the previous Scheme of Arrangement hereinbefore referred to as soon as the Company has passed the necessary resolutions to enable the Directors to carry it into effect.

The aggregate money value of the claims represented at the meeting was however Rs. 44,445-7-11 only against an aggregate indebtedness by the Company to its unsecured Creditors, who were parties to the Scheme of 1903, of Rs. 1,17,486-1-11 ; several of the Creditors although duly notified of the Meeting, not attending thereat either in person or by proxy.

The Creditors present at the Meeting in favour of the resolutions represented claims of the aggregate value of Rs. 27,544-1-1, whilst the minority represented claims of the aggregate value of Rs. 16,901-6-10, and no amendment to the resolutions was put forward. But subsequently it was suggested to the Directors of the Company that it would be equitable for the Company to come to an arrangement with its unsecured creditors upon a basis similar to that of the arrangement between the Company and the Government of His Highness the Maharajah of Mysore viz:—that the said unsecured Creditors should upon the completion of the revised arrangement now proposed, be paid twenty five per cent of the total of the principal moneys and interest due to them as on the 28th February 1911 ; that the balance due to the unsecured Creditors should be paid off by the Company not later than the year 1925 ; that the said Creditors should have the right to claim that one third of the annual net profits of the Company accruing after the 28th February 1916 after setting apart such sum as the Company might in its discretion think proper for depreciation, should be applied towards reduction of their claims ; and that the balance due to the unsecured Creditors after payment of the 25 per cent before referred to should carry interest at 4 per cent per annum, interest ceasing to run on any amounts paid from time to time.

The Directors considered these suggestions, and being of opinion that the Company was in a position to comply with them, they considered that they should be brought before the unsecured Creditors ; and for that purpose a second Meeting of the unsecured creditors was held at the registered office of the Company Henshaws Building, Bank Street, Fort, Bombay on Monday the 10th day of June 1912 when the resolutions placed before the meeting of the unsecured creditors held on the 11th day of April 1912 were again put before the Meeting subject to the following amendment, viz:—that the following sub-clause should be substituted for Subclause (*d*) of Resolution No. 2.

(3) Upon the completion of the revised arrangement [illegible] the Company [illegible] to the before mentioned [illegible] referred to as the said Creditors shall be entitled [illegible] per cent of the total of the [illegible] of moneys and [illegible] 1911; the said Creditors shall be entitled to be [illegible] shall be entitled to claim that one third of the net [illegible] ing after the 28th day of February 1913, after setting [illegible] its discretion think proper for depreciation, shall be [illegible] redemption of their claims; the said creditors shall [illegible] remaining due to them after payment of 25 per [illegible] per annum only and interest shall cease to run [illegible] the said Creditors on account of their claims.

The before mentioned resolutions, amended as aforesaid, [illegible] and the Members of the Company are [illegible] Directors to complete the proposed [illegible] His Highness and to carry the revised arrangement into effect [illegible] given.

I am, gentlemen,

Yours Faithfully,

[illegible]

Dated this 20th day of June 1912.

THE ANGLO-INDIAN PRESS, LTD., BOMBAY.

The Mysore Spinning & Manufacturing Co., Limited.

A COPY of the Proceedings of the Adjourned Extraordinary General Meeting of the Shareholders of the Mysore Spinning and Manufacturing Company, Limited, held at the Registered Office of the Company, Henshaw's Buildings, Bank Street, Fort, Bombay, on Saturday, the 28th November 1903, at 3 p.m., containing the special resolutions and of the Scheme approved of and adopted thereby.

Present :

SHAMARAV VITHAL, ESQ., *Chairman.*

V. S. RODRIGUES, ESQ.	EKNATH R. KHOTE, ESQ.
BHAWANISHANKAR S. WAGH, ESQ.	VINAYAK SADANAND JOSHI, ESQ.
DHONDNATH R. KHOTE, ESQ.	BHAWANI V. TELANG, ESQ.
M. S. KHESHVALLA, ESQ.	JAMES P. CHRYSTAL, ESQ.

I.—Proposed by Mr. Vinayak Sadanand Joshi and seconded by Mr. M. S. Kheshwalla—

"That the following Resolutions, unanimously passed by the Extraordinary General Meeting held on the 31st day of October 1903, be hereby confirmed as Special resolutions of the Company, *viz.*:—

RESOLUTIONS:

(1) That the Company approves of and adopts the Scheme of arrangement made between itself, its Agents (both present and new), its unsecured Creditors, and the Government of His Highness the Maharajah of Mysore, Mortgagees of the Company; a printed copy of which had been attached to the notice of the said meeting of the 31st October 1903 sent to Members.

(2) That the Board of Directors of the Company is hereby authorised in the name of the Company and on its behalf to enter into and complete such agreements, documents, mortgages and all other deeds or covenants as they, in their absolute discretion and under proper legal advice, shall consider necessary and proper, with the present Agents, with the new Agents, with the unsecured Creditors of the Company, with the Mysore Government, and/or with such other person or persons, body or bodies, Company or Companies as to them may seem meet in order to give full and complete effect to the said Scheme and all and every part thereof.

(3) That so far as it may become necessary for the interest of the Company, and in order to give due and lega effect to the said Scheme or any part thereof, the Board of Directors is hereby authorised in the name of the Company and on its behalf to make any application to or take any proceedings in a Court of Law and to take all other actions and proceedings of and incidental to the same."

Carried unanimously.

SHAMARAV VITHAL,

BOMBAY, 28th November 1903. *Chairman.*

Scheme referred to above.

A Scheme of Arrangement made between the Mysore Spinning and Manufacturing Company Limited hereinafter called the Company, its present Agents, viz., Messrs. P. Chrystal & Co., the Agents to be newly appointed, viz., Messrs. N. Sirur & Co., its unsecured Creditors hereinafter called the "Creditors," and the Government of His Highness the Maharajah of Mysore, Mortgagees of the said Company, hereinafter called the "Government."

1. As the present Agents [illegible] Agents.

2. The Company [illegible] Co., as its Agents, [illegible]:—

(a) The new Agents shall be entitled to receive from the Company [illegible] gross profits of the Company for [illegible] secured and unsecured Credi[illegible] of this clause shall mean the net amount [illegible] other income of the Company [illegible] stores (such stores not to include [illegible]);

(b) After the claims of the present secured and unsecured Creditors shall have been paid in full as aforesaid, the new Agents shall be entitled to receive from the Company the same remuneration as Messrs. P. Chrystal & Co. would have received, if they had not ceased to be the Agents as aforesaid, under the terms of the Agreement made between them and the Company dated the 5th day of January 1895, and the Company shall enter into an agreement to the above effect with the new Agents.

(c) In addition to the remuneration specified in Clauses (a) and (b) hereof, the Agents shall be entitled to receive such sum per year for their Office expenses in Bombay as the Management may think proper, and their actual travelling and other incidental expenses.

3. That the Company shall procure restoration of the moveable property held by Sadashev Shanker Wagh [illegible] security for the money advanced by him to the Company under an Agreement entered into by them with him on the 16th day of February 1898 upon payment by Government of the debt which may now be due to him, with interest up[illegible] date of payment only, and shall, if necessary, procure cancellation of the aforesaid Agreement.

4. The Government shall find and provide all the necessary funds for the working of the Company and shall be entitled to charge interest for the same at the rate of 5 per cent per annum. In respect of the funds to be so advanced by Government, they (the Government) shall be secured by the mortgage to them of the entire stock in trade of the Company.

5. The Government shall be put in possession of the said Company's Mill and of all its property and effects as the Mortgagees in possession, and shall have all the rights and powers to which a Mortgagee in possession is entitled by law. The Government shall also be entitled to appoint a Director on the Board of the Company who shall be called the Managing Director, and all transactions of the Company shall be conducted under the authority of such Managing Director. The Managing Director shall be entitled to be absent from the Meetings of the Board and shall remain at Bangalore. The Government shall also have the option of appointing another Director on the Board to attend the Meetings of the Board in Bombay. The Goverment shall also have the right of nominating one Auditor every year for the purpose of auditing the accounts of the Company, the other Auditor being nominated by the Company.

6. The new Agents shall in all respects carry out the wishes of the said **Managing** Director. In case of difference of opinion between the Managing Director and the Board of Directors, the latter may submit the matter for orders of Government, but until Government pass orders on such reference the opinion of the Managing Director shall be carried out.

7. The Government shall not exercise the power of sale vested in them under their Mortgage Deed with the Company except at the time, and on the happening of the events hereinafter mentioned.

8. The unsecured Creditors shall not file any suit or suits against the Company, or take any action or proceeding to have the Company wound up, nor shall any Creditors of the Company who have obtained decrees against the Company attempt or proceed to execute the same ; and those Creditors who have already issued execution against the Company shall forthwith withdraw ths same, and they hereby agree to give time to the Comp any to pay its debts until the happening of the events as hereinfter mentioned.

9. In the event of the Company carrying on business at a loss in any one year, and of its being unable to make any payment on account of interest due to its Creditors and to Government, it shall be lawful for Government to withdraw the working capital advanced by them from the realisation of the entire stock-in-trade and outstandings of the Company ; and in such case it shall also be lawful for the Creditors assembled at a meeting to pass a resolution by a majority of votes to be ascertained according to the value of their respective claims to wind up the Company, and in such case the Government shall be entitled to retain in their possession all the property and effects of the Company, both moveable and immoveable, as security for payment, in the first instance, of all moneys due to them.

10. Both the Government and the unsecured Creditors of the Company shall charge interest to the Company at the uniform rate of 5 per cent. only. Out of the net profit of the Company every year such sum, as the Government may in their discretion think proper, may be set apart as a Depreciation Fund and the balance shall be devided between the Government and the unsecured Creditors of the Company in the proportion of 2 : 1 respectively, i.e., two thirds of such balance shall be paid to Government in reduction of their claim and the remaining one-third to the unsecured Creditors in reduction of their claims; and on such payments, Interest shall cease to run in respect of the payments made to Government and Creditors as aforesaid.

11. The Company shall have no power to pass any Extraordinary Resolution to wind up the Company or to mortgage, charge or alienate any of its property to any body without, in the first instance, obtaining sanction of its present secured and unsecured Creditors at a meeting to be called for that purpose.

12. The Government shall cease to have any control over the management of the Company after the debt due to them and the unsecured Creditors shall have been fully paid ; and all rights which they are hereby entitled to exercise shall thereupon cease and determine.

13. The Company shall get the present Scheme approved and passed at an Extraordinary Meeting called for that purpose within four weeks from the date of receipt of the final reply of the Government.

14. The present scheme shall be binding upon the unsecured Creditors of the Company as soon as the Government have formally written to the Company agreeing to this seheme and the Company has passed a resolution approving and adopting the same.

ANGLO-LUSITANO PRESS, BOMBAY,—27-1912.

V. Regr. No 53. (K)

A/c Investments

This letter has been written by the Govt Advocate in reply to a verbal message from mine. The documents may now be submitted to Dewan for signature with the usual typed note.

5/10/12

Office of the Government Advocate in Mysore,

Bangalore dated, 5th October 1912.

To,

C. S. Doraswamy Iyer Esq., B.A., B.L.,
Government Advocate in Mysore, Bangalore.

The Comptroller to the Government of His Highness the Maharaja of Mysore.

Forwarded to the Asst Secretary, Finance Deptt for disposal
S Shamanna
Asst Compt

Sir,

I have the honour to acknowledge receipt of the documents relating to Reconveyance and mortgage between Government and the Mysore Spinning and Manufacturing Company Limited sent through Mr. Sirur of Messrs N.Sirur & Co., and to state that both the documents are in order and duly --- stamped in accordance with the Mysore Stamp Regulation. - There is no legal objection to the reconveyance and mortgage bearing the same date. I have advised Mr. Sirur to execute the document in favour of the Bank a day later than the date of the deed of reconveyance and mortgage.

I have the honour to be,

Sir,

Your most obedient servant,

C Doraswamy Iyer

Government Advocate.

N. SIRUR & Co.
AGENTS.

TELEGRAMS: BOMBAY and BANGALORE.
Chamundi:

The Mysore Spinning & Manufacturing Company, Limited.

Bombay, 23rd October 1912.

My dear Mr. Laxminarasinha Rao,

With reference to your letter of the 18th instant asking me to furnish the date of the month on which the memorandum to the agreement with Mr. Wagh was executed, to be inserted in the recitals in the documents submitted to the Dewan, I have to say that the original document itself does not contain this date but is dated merely the day of August 1901. Under these circumstances our Solicitors advise that the correct course is to have the date in the recitals of the deed as it stands in the original.

If however it is insisted that the day of the month should be inserted, we find from the resolution of the Directors passed on 23rd August 1901 that the document was executed on the same day, and therefore the blank can be filled in if necessary with this date namely 23rd August 1901.

You know that spaces for inserting the date of the new documents now submitted to the Dewan, have been kept blank, for the same to be filled in by him when he signs the do. Both the release and the new Mortgage should bear the same date. Kindly let me know when the documents are signed and what date they bear.

I hope there will be no further delay in the execution of these documents.

With kind regards,

Yours sincerely,

D. N. Sirur

13/11/12

(16

G.R.S. 16]

File No. 23-11

Serial No, --

Diary No. of letter replied to 1568

Revised draft-

No. JC 28884

dy 14-11-12

General and Revenue Secretariat

( )

, the 19 .

To

Messrs Simir & Co.

Agents the Mysore

Spinning and Manufacturing

Co Ltd.

Date of issue 14-11-12

Signed by W L Narasimhaiah

Gentlemen,

Adverting to my

D. O. Simir's letter dy 23.10.1912

and in forwarding a copy of

letter dy 8/11/1912 from Mr K. Srinivasa

Executive Engineer, Water Supply

and Stores Division, Bangalore who

was deputed by Government to

verify the items in the Schedule

over.

SUBJECT.

attached to the deed of mortgage,
I am to request you to be so
good as to have the omissions
pointed rectified.

I am also to suggest that
that opportunity may be taken to
have the marginally noted clerical
errors also rectified

The documents may be
returned with the corrections duly
made when they will receive
attention.

I have &c

Secretary

10 Bs Indenture

Page 8. line 2. "S

1500 Bs Indentu

Page 2 line 2. "on

do "of

List of

Copied by

Examined by

GPB—10,000—23-2-11.

Head Office
Bombay.
N. SIRUR & Co.,
AGENTS.
Telegrams.
"CHAMUNDI" BOMBAY.
"CHAMUNDI" BANGALORE.

The Mysore Spinning & Manufacturing Co., Ld.

Bangalore, 15th November 1912.

To

J. S. Chakravarti Esqre M.A. F.R.A.S.
Financial Secretary to the Government of
His Highness the Maharaja of Mysore

Sir,

With reference to your letter No. H 2884 GF 22-11 dated the 14th November 1912, handing us the release and mortage-deeds and requesting us to rectify certain omissions in the Schedule pointed out by Mr. K. Shreenivasiengar Executive Engineer Water Supply & Stores Division, we have the hono to state that the first five items referred to b him, arrived only recently, and were therefore no in the possession of the Company, when the es documents were engrossed.

The items 1 to 4 in Group II mentione in Mr. K. Sreenivas Rasgeis letter represent machinery which is either already condemned proposed to be condemned, and being not of much use or value were not included in th Schedule.

Head Office
Bombay.
N. SIRUR & Co.,
AGENTS.
Telegrams.
"CHAMUNDI" BOMBAY.
"CHAMUNDI" BANGALORE.

The Mysore Spinning & Manufacturing Co., Ld.

Bangalore, ... 191 .

Schedule.

The Mortgage-deed as engrossed provides moreover on page 9 lines 39 to 40 that the assignment to Government extends to "all other (than those specified in the Schedule) Buildings erections fixture, plant, machinery, Engines, Boilers, implements Apparatus, articles & things which may be erected standing placed or being thereon during the continuance of this security." Under the circumstances we do not think any change in the Schedule is necessary.

The clerical errors mentioned by you have been duly rectified. We return herewith the document and request that the same may now be signed on behalf of the Government at the earliest convenience.

We have the honor to be,
Sir,
Your most obedient Servants
N. Sirur & Co
Agents.

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

Name 3344

Rs 2nd 2571.

8. 22.

10-12-12

To the Comptroller

Sir,

I am directed to send herewith Cheque No A 133046 of the 9th December on the Bank of Madras Bangalore for Rs 96555-11-6 Rupees Ninety Six thousand five hundred and fifty five annas Eleven and pies Six for Kalavathi Chetti.

2. The amount is the Consideration promised to be paid by the Mysore Spinning & Mfg Company under the Execution of the new agreement which was effected yesterday.

Manager

9. XII. 12

In Triplicate

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted.

From

J. S. CHAKRAVARTI, Esq., M. A.,
F.R.A.S., ETC.,
Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

The Deputy Commissioner,
Treasury Department,
Bangalore District.

Dated

Despatched 14 December 1912.

Received

General No. 4037

No. 646

Enclosure No.

Has the honor to forward herewith cheque No.A.133046 dated the 9th December 1912 on the Bank of Madras, ... Bangalore, for Rs.96,555-11-6 (Rupees ninety six thousand, five hundred and fifty five, annas eleven and pies six received with No.Fl.3344/G.F.23-11-22 dated 9/10th December 1912 from the Financial Secretary to His Highness the Maharaja of Mysore, and to request that the same may be realised and credited under "Debts, Deposits and Advances 32 Advances and Loans- (g) 3 Special Loans.

An acknowledgment is requested.

Sd. N.Krishnaswami Rao,

Asstt: Comptroller.

GPB—11,000—18-8-11